



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374
LOS ANGELES, CALIFORNIA 90012**

Thursday, September 15, 2016

10:30 AM

AUDIO FOR THE ENTIRE MEETING. (16-4736)

Attachments: [AUDIO](#)

Present: Chair James A. Blunt, Member Kieu-Anh King and Vimi Shad

Absent: Vice Chair Dorinne Jordan, Member Carl Gallucci, Member Fred Leaf

I. ADMINISTRATIVE MATTERS

1. Call to Order. (16-4406)

The meeting was called to order by James Blunt at 10:38 a.m.

2. Approval of the August 18, 2016 meeting minutes. (16-4407)

On motion of Kieu-Anh King, seconded by Vimi Shad, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICY

3. Recommendation to review substantive changes to Board Policy 3.160 - County Cellular Telephone and Other Wireless Data Devices Usage Policy, extend sunset review date to October 2, 2020, and direct the Department to submit the policy to the Board of Supervisors for final approval (9/6/16). (16-4522)

James Blunt, First District, indicated that the policy will sunset on October 2, 2016 and he would like to extend the sunset review date to November 30, 2016 to allow discussion on this policy at the next meeting.

On motion of James Blunt, seconded by Kieu-Anh King, this item was approved as amended by James Blunt, to extend the sunset review date to November 30, 2016 and continue discussion on this item to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

III. REPORTS

4. Department of Public Social Services - State Mandated Financial and Compliance Audit of Program Contracts - Fiscal Years 2013-14 and 2014-15 (8/16/16). (16-4335)

James Blunt, First District, asked if the over payment issues have been resolved. Robert Smythe, Auditor-Controller, confirmed that issues have been resolved. Catherine Tang, Department of Public Social Services (DPSS), indicated that the Program Division is currently reviewing the cases related to the over payments and will be conclude in October 2016.

James Blunt, First District, asked DPSS staff to submit a written report.

On motion of James Blunt, seconded by Vimi Shad, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

5. Follow-up Review of Duplicate Voter Registration (Board Agenda Item 27-E, May 24, 2016) (8/25/16). (16-4337)

James Blunt, First District, stated that the report indicates an issue with missing birth dates on registrations and questioned how it was possible that the system accepted registrations. Robert Smythe, A-C, clarified that birth dates were not a required field at the time and it is something the department will need to modify. Mr. Smythe also indicated that there have been discrepancies between State and Federal law, on whether or not birth dates are required; however, after discussion with counsel, it was determined that it is required.

Mr. Blunt asked that a representative from the Department of Registrar-Recorder/County Clerk be present at the next meeting to answer questions; Mr. Smythe will contact them.

By Common Consent, there being now objections, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

6. Public Counsel - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (8/26/16). (16-4338)

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

7. Community Alcohol and Drug Treatment Foundation - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (8/29/16). (16-4341)

In response to questions posed by James Blunt, First District, Aggie Alonso, A-C, indicated that the last review was completed at year-end of 2015 and A-C does not have access to the most recent financial conditions and does not know where the agency currently stands. A-C has asked the Department of Public Social Services (DPSS) to be more vigilant by increasing monitoring and oversight to ensure the agency is able to provide required services. Mr. Alonso indicated that the agency was recommended to be placed on Contractor Alert Reporting Database (CARD) based on the serious issues identified. DPSS plans on sending a letter the agency notifying them of issues and what they need to correct. The agency has 10 days to respond. If the agency fails to correct the deficiencies, they will be placed on CARD.

Yoon Park, A-C, indicated that the agency's contract with DPSS expired as of June 30, 2016.

Kieu-Anh King, Third District, asked if this agency contracts with other county departments. Mr. Alonso will follow up with an email to the Audit Committee.

In response to questions posed by Mr. King, Mr. Alonso clarified the point system and indicated that this agency would fall under condition four; they have experienced financial, administrative, or programmatic legal issues that affect their ability to comply with the County's contract requirements.

Arlene Barrera, A-C, added that if the agency submits a proposal for a new contract, they would have to submit their current financial statement which would be evaluated and may lose points in the area of fiscal liability.

Mr. Alonso confirmed that this agency serves the Third Supervisorial District and that the Chief Financial Officer and Business Director are related.

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 8.** Soledad Enrichment Action, Inc. - A Community and Senior Services Los Angeles County Youth Jobs Program Provider - Contract Compliance Review (9/1/16). (16-4509)

Kieu-Anh King, Third District, asked if the agency's agreement to reconcile balance sheets on an annual basis is sufficient. Elaine Boyd, Auditor-Controller (A-C), indicated that recommendation number six will address the issue and a follow up review will determine the frequency of reconciling balance sheets for the agency.

Mr. King asked Paul Goldman, Community and Senior Services, to confirm that a follow up will be conducted. Mr. Goldman confirmed that a follow up will be conducted and will provide technical assistance training for the agency.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 9.** Contractor Alert Reporting Database Status Report - September 2016 (9/8/16). (16-4591)

In response to questions posed by James Blunt, First District, Aggie Alonso, A-C, explained that the filing of Chapter 9 or 11 bankruptcy will place an agency on CARD. Mr. Alonso also explained factors that may contribute to delays in placing agencies on CARD.

Kieu-Anh King, Third District, stated that the report indicates a variety of agencies that have been recommended to be placed on CARD a long time ago, but has yet to be placed. He will request updates from the departments listed.

Paul Goldman, Community and Senior Services (CSS), provided an update on Page 2, Nos. 2 and 3 of the CARD Status Report.

Mr. Goldman stated that they have been working with the agencies and provided an overview of Santa Anita Family Service Inc.; their Board approved the findings and passed a resolution, they are willing to repay \$9,000 on a repayment plan. CSS will work with A-C and Treasurer and Tax Collector to see what payment plan makes sense for them. Mr. Goldman stated that if the agency sticks to their repayment plan to maintain their financial standing and clean up their cost allocation, CSS will not put them on CARD.

Mr. Goldman indicated that Oldtimers Foundation had similar issues with financial capabilities. However, the agency worked out a payment schedule for all of their vendors and no longer has complaints; they have fulfilled all of the contract requirements. CSS requested the agency provide a monthly report of their accounts payable to monitor their status.

Elaine Boyd, A-C, explained that A-C sends reports to departments monthly to check whether the department wants to place agencies on CARD or remove them. Mr. Goldman stated that CSS will always notify A-C before the Committee meeting.

Mr. Alonso stated that A-C follows up with departments however, there are still delays. The CARD manual has specific timeframes and deadlines.

Mr. King requested that A-C provide an update on Nos. 4, 5, and 6 next month.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 10. Fiscal Year 2015-16 Accomplishments - Audit Division (9/9/16). (16-4633)**
Robert Smythe, Auditor-Controller (A-C), provided an overview of the Fiscal Year 2015-16 Accomplishments for the Audit Division and indicated that recruitment plans for additional staff are in progress, 11 Board ordered audits have been completed and 20 are currently in process. There are several ongoing audits to keep cognizant of such as Proposition 47, CCJV Funding and AB 109.

The Internal Control Certification Program is in the process of being automated; the questionnaire was shortened by 61%, five departments will be piloted next year.

Kieu-Anh King, Third District, thanked A-C staff for the report.

On motion Kieu-Anh King, seconded by Vimi Shad, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Fiscal Year 2015-16 Accomplishments - Countywide Contract Monitoring Division (9/9/16). (16-4634)

Aggie Alonso, A-C, provided an overview of the report and indicated that in Fiscal Year 2015-16, they have completed 121 assignments which resulted in the issuance of 80 reports.

Kieu-Anh King, Third District, asked how many full-time employees there are. Mr. Alonso confirmed that there is approximately 44 full-time employees and will recruit 4-6 employees depending on various factors.

Mr. King suggested the A-C to add a section for summary of findings to see qualitative discussion of trends on the next year's report. Mr. Alonso mentioned that they can also include a schedule of the breakdown and agencies involved. Mr. Alonso indicated that this report is a work in progress and can eventually be an annual report. Mr. King thanked the A-C for their report.

On motion of Kieu-Anh King, seconding by James Blunt, this item was received and filed

Attachments: [SUPPORTING DOCUMENT](#)

IV. DISCUSSIONS

12. Development of Board Policy - Audit & Contract Monitoring Reports - Status. (16-4599)

Aggie Alonso, Auditor-Controller (A-C), indicated that the Development of Board Policy - Audit & Contract Monitoring Reports was requested by the Audit Committee at the July 21, 2016 meeting to establish a policy that would require departments to develop a process that would notify the Board of results from audits and contract monitoring reviews. The

A-C has been working diligently and in collaboration with all departments and has addressed all their concerns. The Contract Monitoring Database of Reviews (CMDR) has been identified as a possible solution to track reports; a survey to identify the need for the policy will be conducted.

Kieu-Anh King, Third District, indicated that the creation of multiple reports can become burdensome; however, an annual report with an analysis that summarizes findings will be useful to share among Policy Deputies. Arlene Barrera, A-C, added that all departments will have to enter information pertaining to an audit in CMDR in the same manner.

Mr. Alonso asked the Audit Committee for approval to conduct a survey and provide a report back in two months.

James Blunt, First District, indicated that he is not familiar with CMDR but based on the information provided all departments would have to enter information in the same manner. Ms. Barrera confirmed that similar findings are provided in a drop down menu; however, if departments began to enter data in a different manner the data may not be easily accessed.

Mr. Blunt shared Mr. King's concern regarding departments with internal controls who do not produce audit reports. Robert Smythe, A-C, confirmed that departments with internal controls serve as consultants and many are staffed by previous A-C employees. Mr. Alonso offered to provide an overview of CMDR to Audit Committee members; Mr. Blunt expressed his interest.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

13. CCMD Reviews and Proposed/New Audit Update. (16-4409)

Kieu-Anh King, Third District, indicated that he will review a Department of Human Resources audit and will discuss it next month.

V. MISCELLANEOUS

14. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (16-4412)

Robert Smythe, Auditor-Controller (A-C), indicated that Proposition A is currently being reviewed to identify an appropriate threshold amount of possibly over one million to determine if the A C will get involved. Also, the decision for the A-C to stop conducting sunset reviews was previously discussed; however, a response has not been provided. Mr. Smythe suggested that this responsibility be transferred to the Chief Executive Office or the Board's Executive Office.

James Blunt, First District, confirmed that the Board of Supervisors Executive Office, Commission Services, oversees Commissions. Kieu-Anh King, Third District, requested Executive Office staff attend the next meeting to discuss sunset reviews and asked A-C staff to provide an annual volume report to Twila Kerr, Chief, Commission Services.

Arlene Barrera, A-C, indicated that in April 2015, the Board approved a motion to look at Probation's budget, their hiring practices and conduct youth interviews; the report is complete and the Justice and Children's Deputies will be briefed at the end of September or early October. Ms. Barrera asked if the Audit Committee was interested in participating in the briefing and if the report should be included on both the regular and special meeting agendas. Mr. King confirmed that the report should be included on both agendas.

15. Public Comment. (16-4413)

No member of the public addressed the Committee.

16. Adjournment. (16-4414)

There being no further business to discuss, the meeting was adjourned at 11:31 a.m.